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naren@chaganti.com
naren.chaganti@gmail.com

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Ex parte NAREN CHAGANTI

Appeal 2009-012123
Application 09/307,752
Technology Center 3600

Before MURRIEL E. CRAWFORD, HUBERT C. LORIN, and
BIBHU R. MOHANTY, *Administrative Patent Judges*.

LORIN, *Administrative Patent Judge*.

DECISION ON REQUEST FOR REHEARING¹

¹ The two-month time period for filing an appeal or commencing a civil action, as recited in 37 C.F.R. § 1.304, or for filing a request for rehearing, as recited in 37 C.F.R. § 41.52, begins to run from the “MAIL DATE” (paper delivery mode) or the “NOTIFICATION DATE” (electronic delivery mode) shown on the PTOL-90A cover letter attached to this decision.

STATEMENT OF THE CASE²

Naren Chaganti (Appellant) filed a Request for Rehearing of the Decision. The Board affirmed the Examiner's decision to reject claims 7-44. Ten rejections were made and all were affirmed. Claim 1, illustrative of the claims on appeal, was rejected under §102(e) over Ferstenberg and is reproduced below.

7. A computer-implemented method of marketing an intangible property interest, the method comprising the steps of:
 establishing an electronic marketplace;
 assigning an identifier to said intangible property interest; storing the identifier;
 receiving a bid for purchase of said intangible property interest; and
 selling said intangible property interest.

In accordance with 37 C.F.R. § 41.52(a)(1), the Request includes certain points, in particular, that the Appellant believes the Board misapprehended or overlooked in reaching its Decision. On various grounds, the Appellant challenges the Board's construction of the term "intangible property" (see claim 7) as encompassing stocks and bonds. According to the Appellant, as used in the claims "intangible property" excludes stocks and bonds. Request 1.

² Our decision will make reference to the Appellant's Request for Rehearing (filed Sep. 30, 2010, "Request") and the BPAI Decision (mailed Sep. 24, 2010, "Decision").

We have reviewed the Request in its entirety but do not find that the Appellant has shown the Board to be in error. Our reasons are enumerated in the DISCUSSION section below.

DISCUSSION

We will address each section of the Request in order.

Section A.

This section is devoted to the argument that the Specification supports limiting the scope of the term “intangible property” such that it excludes stocks and bonds - in an effort to show the Board was in error in stating that the Specification “does not define that term [i.e., “intangible property”], such that it excludes stocks” (Decision 7).

The two passages in the Specification the Appellant relies upon are:

It should be understood that though the above-mentioned description appears similar to the activities of the governance of a corporation, there are significant differences between the two. Here, the asset is non-corporate. Additionally, according to the present invention, trading shares in an electronic communication medium involves subject matter other than a corporate stock, bond, option, or futures contracts to delivery of commodities-the present invention pertains to intangible property; personal property rights; unique or special objects; or services-the subject matter, the kind of which, is currently not tradeable in a market place.

Specification 9:18-26. And,

Markets exist today for many forms of property. The New York Stock Exchange and the National Association of Securities Dealers Quotation System (NASDAQ) provide market place for trading securities such as common and preferred stocks, and warrants on sale or purchase of stocks. The Chicago Board of Exchange (CBOE) and other market places provide a forum for sale and exchange of options and future interests in several securities and commodities such as wheat, soybeans, frozen concentrated orange juice, and pork bellies.

Recently, the CBOE has started trading in electricity delivery contracts.

However, no publicly tradeable stock marketplace exists for the sale of certain non-corporate, non-commodity forms of property, for example, intangible property such as a patent, a trademark, a copyright in a painting, goodwill, licenses, leases, easements, rights, a seafaring route such as the right to navigate the Suez Canal, and other similar rights; personal rights such as a right to future income of a person; special objects such as collectibles; and services such as a musician's concert recital time or a babysitter's time, which are described and discussed in relation to the invention herein.

Specification 1:14-27. See Request 2-3. In light of these disclosures in the Specification, the Applicant argues that the broadest reasonable construction of the claim term “intangible property” in light of the Specification is that it excludes stocks and bonds. We disagree.

We see nothing in these passages which defines “intangible property” with any particularity.

The passage from page 1 of the Specification discusses the need for a marketplace to trade certain non-corporate, non-commodity forms of property and states “for example, intangible property such as a patent, trademark, a copyright in a painting . . .” While stocks and bonds are not included in this listing of *examples* of intangible property, neither are they expressly excluded. The passage from page 9 describes that according to the present invention the trading of shares involves subject matter other than a corporate, stock, bond, option or futures contracts to delivery of commodities. This passage also does not explicitly define the term “intangible property” to exclude stocks and bonds.

On the other hand and contrary to the Appellant's argument, the Specification expressly states that the invention should *not* be limited by the property types discussed in the Specification. Specification 6:12-16. The

Specification states: “It should be noted that though only a certain types of properties are discussed in the foregoing, that discussion is by no means limited to the actual types of properties used as an illustration. Thus, the invented method and system should not be limited by the discussion provided herein.” Specification 6:12-16. Further, the Specification describes that “[t]his invention is *related* to the area of publicly traded securities and other financial instruments.” Specification 1: 6-11. Emphasis added.

The Appellant’s argument throughout the Request centers on the meaning of the claim term “intangible property”. (*See* independent claims 7, 24, and 39). Later in the Request, the Appellant argues that the Board erred by finding that the Appellant did not act as their own lexicographer to explicitly exclude “stocks, bonds, [and] commodities” from the ordinary meaning of “intangible property.” *Id.* The Appellant states:

The rejected claims are directed toward an online electronic marketplace where certain “intangible” property interests—other than stocks, bonds, commodities—such as patents, copyrights, trademarks, goodwill, right to a babysitter’s time etc—are listed, bought and sold. The dispute is whether the claim term “intangible” encompasses stocks and bonds.

Request 4. We agree with the Appellant that an applicant has the right to act as their own lexicographer, but disagree that the Appellant has done so in this case as to narrow the ordinary meaning of “intangible property” to exclude stocks and bonds. “Absent claim language carrying a narrow meaning, the PTO should only limit the claim based on the specification or prosecution history when those sources expressly disclaim the broader definition.” *In re Bigio*, 381 F.3d 1320, 1325 (Fed Cir. 2004). Although a patent applicant is entitled to be his or her own lexicographer of patent claim

terms, in *ex parte* prosecution it must be within limits. *In re Corr*, 347 F.2d 578, 580 (CCPA 1965). The applicant must do so by placing such definitions in the Specification with sufficient clarity to provide a person of ordinary skill in the art with clear and precise notice of the meaning that is to be construed. *See also In re Paulsen*, 30 F.3d 1475, 1480 (Fed. Cir. 1994) (although an inventor is free to define the specific terms used to describe the invention, this must be done with reasonable clarity, deliberateness, and precision; where an inventor chooses to give terms uncommon meanings, the inventor must set out any uncommon definition in some manner within the patent disclosure so as to give one of ordinary skill in the art notice of the change.)

As we have explained, we do not find the passages the Appellant relies upon to place a definition for “intangible property” in the Specification with sufficient clarity to provide a person of ordinary skill in the art with clear and precise notice of the meaning that is to be construed, let alone one which excludes from its scope stocks and bonds.

Accordingly, we find the argument unpersuasive as to error in the Decision.

Sections B. and C.

These sections take issue with the panel’s reliance on the ordinary meaning for “intangible property” rather than the alleged specific meaning in the Specification. *See* Decision 6.

For the reasons already discussed, we find that the Appellant has not acted as their own lexicographer by placing a narrow definition of “intangible property” in the Specification so that a person of ordinary skill in the art is provided, with sufficient clarity, with clear and precise notice that

the term is to be construed to exclude stocks and bonds. We are not persuaded that, given the Specification, the claim term “intangible property” should not be given its ordinary and customary meaning. We find that the broadest reasonable construction of the claim term in light of the Specification is such that “intangible property” *encompasses* stocks and bonds, as well as other forms of intangible property.

Furthermore, we note that our broad construction of “intangible property” is consistent with the Appellant’s own definition of “intangible property” as “generally any property that has value but that you cannot see or touch.” Request 6. Stocks and bonds are a property that has value but that you cannot see or touch.

Finally, we note that Ferstenberg also describes “intangible property” broadly as including stocks and bonds; see

1. Abstract (“In other embodiments, this invention is equally applicable to the exchange of any tangible or intangible commodities.”);
2. Col. 1, ll. 19-22 (“Examples of items traded include intangibles, such as securities (stocks, bonds, and options) commodity futures, collateralized mortgage obligations, and pollution rights, as well as tangibles, such as copper or soy beans.”);
3. Col. 12, ll. 23-29 (“For clarity of disclosure, and not by way of limitation, the preferred embodiment of this invention is described in detail with respect to the exchange of financial commodities. However, this invention is not so limited, and from the following detailed description it will be apparent to one of skill in the art that

this invention is applicable to exchanges of tangible or intangible commodities of any sort.”); and,

4. Col. 38, ll. 60-63 (Ferstenberg state: “Financial commodities include such intangibles as stocks and bonds . . .”).

For these reasons, the argument is unpersuasive as to error in the Decision.

Section D.

The Appellant lists patents and argues that the PTO has allowed other applications where “intangible property” was claimed. However, the Appellant does not provide any argument or discussion as to how the listed patents are relevant to the claim construction issue of the present application. Request 6-7. Accordingly, we find the Appellant’s argument unpersuasive.

Section E.

Turning to the Appellant’s argument in Section E of the Request, the Appellant seems to merely assert that the Ferstenberg and Stallaert references are not enabled. Request 7-8. However, notwithstanding that this does not appear to be an argument raised in the Brief, the Appellant has not provided any discussion as to why these references are not enabled. *Id.*

Therefore, we find the Appellant’s argument unpersuasive.

Section F.

Finally, turning to the Appellant’s argument in Section F of the Request, the Appellant argues that under the doctrine of claim differentiation the dependent claims narrow the term “intangible” to specifically state other forms of property. The Appellant’s argument seems to be based on the Examiner and the Board construing “intangible property” to encompass *only*

stocks or bonds, thereby precluding the forms of intangible property defined in the dependent claims. Request 9.

We have construed “intangible property” to *encompass* stocks and bonds. We did not limit “intangible property” to *only* encompass stocks and bonds. We made no finding that the ordinary meaning of “intangible property” excludes intangible property other than stocks and bonds. *See* Decision 5-7. Our decision was limited to the issue at hand: whether the Appellant had acted as their own lexicographer to specifically narrow the meaning of “intangible property” to excluded stocks, bonds, and commodities. *Id.* Our decision did not touch on whether the ordinary meaning of “intangible property” also encompasses other types of intangible property, such as intellectual property, as well as, stock and bonds, since this issue was not in dispute.

Also, our construction of “intangible property” *is* consistent with the doctrine of claim differentiation. “The doctrine of claim differentiation creates a presumption that each claim in a patent has a different scope... .The difference in meaning and scope between claims is presumed to be significant to the extent that the absence of such difference in meaning and scope would make a claim superfluous.” *Free Motion Fitness, Inc. v. Cybex Int'l, Inc.*, 423 F.3d 1343, 1351 (Fed. Cir. 2005) (internal quotation marks and citations omitted). “[C]laim differentiation normally means that limitations stated in dependent claims are not to be read into the independent claim from which they depend.” *Nazomi Commc'ns, Inc. v. Arm Holdings, PLC.*, 403 F.3d 1364, 1370 (Fed. Cir. 2005) (quoting *Karlin Techs., Inc. v. Surgical Dynamics, Inc.*, 177 F.3d 968, 971-72 (Fed. Cir. 1999)). Here, claim

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7, for example, recites “intangible property” and dependent claim 8 further narrows the “intangible property” to intellectual property.

Accordingly, we find the Appellant’s argument unpersuasive.

CONCLUSION

We have carefully considered all the arguments that the Appellant has set forth in the Request but, for the foregoing reasons, we do not find them persuasive as to error in the Board’s decision affirming the decision of the Examiner to reject claims 7-44.

DENIED

mev

NAREN CHAGANTI
713 THE HAMPTONS LANE
TOWN & COUNTRY MO 63017